

**PUBLIC EMPLOYEES' RETIREMENT BOARD**  
**100 N Park**  
**Helena MT 59620**

**Board Legislative Committee Minutes**  
**Tuesday January 23, 2007**  
**1:30 PM**

Committee Members: Robert Griffith, Troy McGee. John Paull by phone.

Staff: Roxanne Minnehan, Melanie Symons, Scott Miller, Barbara Quinn, MPERA.

Other Attendees: Terrence Smith, Board member, by phone; Stephen Kologi, AMPRE; Jim Christnacht, AMPRE.

**Public Comment** – *No public comment.*

**Approval of Committee Minutes** from meeting of Tuesday, January 16, 2007.

Ms. Minnehan noticed that on page 2 HB108 should be HB13, the state employee pay plan bill. Mr. McGee noticed a typo on page 4. Mr. McGee made a motion to approve the minutes with correction; Mr. Paull seconded the motion. Minutes approved.

Mr. McGee and Mr. Griffith stated they would like all Board members to receive a copy of the approved minutes as soon as possible after the meeting. They would also like an attachment to the minutes of the legislation with summary discussion to date.

Discussion ensued concerning HB163. The bill states that a state employee cannot give testimony on work time unless called by the legislature. If a state employee wants to testify they would have to testify on their own time. Mr. Griffith suggested we track this bill.

**Executive Director's Report**

The only thing to report on the Board bills is that HB129, the PERB general revision bill, is on the floor of the house now. The committee passed it 18-0 and there were no questions concerning the bill. No executive action has been taken on HB159. HB125 has not been scheduled for a hearing.

Steve Kologi had some information that in his words "may be more rumor than fact." Tom Schneider was dead set against HB131 and is now going to support it. If they support the bill then governor will not fight the employee pay raises (HB13). The union support of HB131 also is a deal with the governor so that he will defeat/oppose/veto any bill that requiring a DC plan. It was stated by staff that Tom Schneider did support HB159 when it was presented at State Admin.

## **Bill Review**

House bill discussion centered on HB293 – allocating lottery money to TRS. It was decided that MPERA should be present on January 24 at 8 am. The PERB will remain neutral.

SB11 – PERS exemption for legislative session staff (to extend legislative staff PERS election period from 6 months to 10 months). This bill is assigned to the Senate State Administration Committee. The bill will be heard on January 24<sup>th</sup> at 3 pm. The PERB is neutral.

SB33 – Procedures governing social security numbers and computer security breaches. The outcome of this bill will affect MPERA. The bill is assigned to the Senate Local Government Committee. The bill will be heard January 25<sup>th</sup> at 3 pm. The PERB is tracking.

SB72 – Require Senate Confirmation of PERB nominations. The bill has passed the Senate and is being moved to the House as of January 18<sup>th</sup>. PERB is neutral.

SB113 – Increases meal reimbursement rates for state employees. This bill is assigned to the Senate State Admin committee. It will be heard on January 26<sup>th</sup> at 3 pm. The PERB is tracking.

SB168 – Transfers public employee accrued leave into post-retirement health care account. This bill does not include comp time. Employee contributions are paid on all lump sum distributions so it does not affect the system but does impact the retirement benefit. This bill is assigned to the Senate State Administration committee. It will be heard on January 24<sup>th</sup> at 3 pm. The PERB is informational.

SB175 – Prohibits application of rule until the rule is effective as law. The bill is assigned to Senate State Admin committee. The bill was heard January 19<sup>th</sup>. Ms. Symons provided informational testimony.

SB176 – Recovery of expenses for challenging rule adopted in violation of MAPA. It is thought that any penalties resulting from this bill would be charged to the operating expenses. This bill is assigned to the Senate State Admin committee and will be heard January 29<sup>th</sup> at 3 pm. The PERB is neutral and will monitor this bill.

SB197 – Divestiture of investments in terrorist nations. Carroll South of the Board of Investments asked that we take a stand against this bill. This bill is assigned to Senate Finance and Claims committee. The bill will be heard a 5pm today, January 23<sup>rd</sup>.

SB247 – Removes the 5% cap on the minimum benefit adjustment for the highway patrol officers. The actuary performed a study stating the new provision would cost \$5.9 million and increase the unfunded liability by 6.8 years. In order to cover the cost of the change and have the system remain neutral, contributions would have to be increased by 5.6%. The legislative committee discussed the Board policy and decided that since the bill does not have funding source the Board would have to oppose the bill. Ms. Minnehan will be talking to Senator Elliot, the bill sponsor, on January 24<sup>th</sup>.

### **Un-Introduced Legislation**

All un-introduced legislation is being monitored.

LC1039 – Revise HPORS disability benefit to 80% of compensation. A similar bill draft was proposed last session. The cost then was approximately \$2 million). Rep. Cohenour is working with Sheri Hefflefinger who has been working with Scott Miller.

LC991 – Revise post retirement benefit increases for statewide police retirement system (Frank Cole bill). Sponsored by Carolyn Squires. Includes an ad hoc \$500 permanent adjustment to certain retirees before 1991 and increases the GABA from 3% to 5% for all police. There is still a contested case on this matter. There is a section for a legislative appropriation. Leapfrogging and a prohibitive cost will mean the PERB will oppose.

LC2220 – Authorize national guard firefighters to transfer from PERS to FURS. No changes. The backers of this bill are planning on federal money to fund the cost.

LC2459 - Revise FURS retirement laws. Combine all changes into this one bill including 1) definition of compensation, 2) DROP, 3) benefit enhancement and 4) working retiree changes. Sponsored by Senator Stephen Gallus. These ideas came out of the firemen's association meeting, most issues will not be forced.

There are a number of placeholder bills that appeared on January 16<sup>th</sup>, the last day to introduce general bills. Placeholders to generally revise the GWPORS, SRS and JRS.

### **Other Business**

Mr. McGee questioned SB56—retirement fund to pay costs for school employees paid with federal funds. Ms. Symons explained that currently the federal funds that are used to pay salaries are not allowed to be used to pay retirement. They want to use the federal funds to pay retirement also.

Mr. Griffith asked about the legislature's ability to table a bill after a vote. Ms. Symons explained that she has heard of this to transfer to another committee but not to re-vote.

Mr. Paull excused himself to return to his training.

Mr. McGee asked how the lobbyists thought it was going. Mr. Griffith thought that it was still early enough in session to be the "happy time." Ms. Symons thought that so far it is a little slower paced than usual.

There being nothing else to come before the committee, Mr. Griffith, Chair, adjourned the meeting at 2:25 pm.